



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
HB4194

Introduced 1/26/2004, by Gary Hannig, Jack D. Franks

SYNOPSIS AS INTRODUCED:

30 ILCS 500/1-15.120 new
30 ILCS 500/45-10
30 ILCS 500/50-17 new
35 ILCS 5/1501 from Ch. 120, par. 15-1501

Amends the Procurement Code. Defines "expatriate corporation" as a foreign incorporated entity that (1) is publicly traded in the United States, (2) is incorporated in a tax haven, (3) less than 10% of the gross income of which is derived from activities in the tax haven, (4) less than 10% of the employees of which are permanently located in the tax haven, and (5) has certain ownership or other business interest connections with a domestic corporation or partnership. Provides that an expatriate corporation shall be considered a non-resident bidder. Provides that no business or member of a unitary business group, as defined in the Illinois Income Tax Act, shall submit a bid for or enter into a contract with a State agency under this Code if that business or any member of the unitary business group is an expatriate corporation. Amends the Illinois Income Tax Act. Provides that notwithstanding the definition of "unitary business group", any person formed or incorporated in a foreign tax haven may be a member of a unitary business group without regard to where its business activities are conducted. Lists those places that are "foreign tax havens". Provides that the term "foreign tax haven" also includes any foreign country that does not impose a substantial business income tax or other substantial business activity tax, as determined by the Department by rule. Effective July 1, 2004.

LRB093 16454 SJM 44091 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning taxes.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Procurement Code is amended by
5 changing Section 45-10 and adding Sections 1-15.120 and 50-17
6 as follows:

7 (30 ILCS 500/1-15.120 new)

8 Sec. 1-15.120. Expatriate corporation. "Expatriate
9 corporation" means a foreign incorporated entity to which all
10 the following apply:

11 (1) It is publicly traded in the United States;

12 (2) Is incorporated in a tax haven, including Andorra,
13 Anguilla, Antigua and Barbuda, Aruba, the Bahamas,
14 Bahrain, Barbados, Belize, Bermuda, British Virgin
15 Islands, Cayman Islands, Cook Islands, Turks and Caicos
16 Islands, Dominica, Gibraltar, Grenada,
17 Guernsey-Sark-Alderney, Isle of Man, Jersey, Liberia,
18 Liechtenstein, Luxemburg, Maldives, Marshall Islands,
19 Monaco, Montserrat, Nauru, Netherlands Antilles, Niue,
20 Panama, Samoa, Seychelles, St. Kitts and Nevis, St. Lucia,
21 St. Vincent and the Grenadines, Tonga, U.S. Virgin Islands,
22 and Vanuatu;

23 (3) Less than 10% of the gross income of the foreign
24 entity is derived from activities in the tax haven;

25 (4) Less than 10% of the employees of the foreign
26 entity are permanently located in the tax haven;

27 (5) Either clause (A) or clause (B) applies:

28 (A) The foreign entity was established in
29 connection with a transaction or series of related
30 transactions pursuant to which (I) the foreign entity
31 directly or indirectly acquired substantially all of
32 the properties held by a domestic corporation or all of

1 the properties constituting a trade or business of a
2 domestic partnership or related foreign partnership
3 and (II) immediately after the acquisition, more than
4 50% of the publicly traded stock, by vote or value, of
5 the foreign entity is held by former shareholders of
6 the domestic corporation or by former partners of the
7 domestic partnership or related foreign partnership.
8 For purposes of subclause (II), any stock sold in a
9 public offering related to the transaction or a series
10 of transactions is disregarded.

11 (B) The foreign entity was established in
12 connection with a transaction or series of related
13 transactions pursuant to which (I) the foreign entity
14 directly or indirectly acquired substantially all of
15 the properties held by a domestic corporation or all of
16 the properties constituting a trade or business of a
17 domestic partnership or related foreign partnership
18 and (II) the acquiring foreign entity is more than 50%
19 owned, by vote or value, by domestic shareholders or
20 partners.

21 (30 ILCS 500/45-10)

22 Sec. 45-10. Resident bidders.

23 (a) Amount of preference. When a contract is to be awarded
24 to the lowest responsible bidder, a resident bidder shall be
25 allowed a preference as against a non-resident bidder from any
26 state that gives or requires a preference to bidders from that
27 state. The preference shall be equal to the preference given or
28 required by the state of the non-resident bidder. Further, if
29 only non-resident bidders are bidding, the purchasing agency is
30 within its right to specify that Illinois labor and
31 manufacturing locations be used as a part of the manufacturing
32 process, if applicable. This specification may be negotiated as
33 part of the solicitation process.

34 (b) Residency. A resident bidder is a person authorized to
35 transact business in this State and having a bona fide

1 establishment for transacting business within this State where
2 it was actually transacting business on the date when any bid
3 for a public contract is first advertised or announced. A
4 resident bidder includes a foreign corporation duly authorized
5 to transact business in this State that has a bona fide
6 establishment for transacting business within this State where
7 it was actually transacting business on the date when any bid
8 for a public contract is first advertised or announced;
9 however, an expatriate corporation shall be considered a
10 non-resident bidder.

11 (c) Federal funds. This Section does not apply to any
12 contract for any project as to which federal funds are
13 available for expenditure when its provisions may be in
14 conflict with federal law or federal regulation.

15 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

16 (30 ILCS 500/50-17 new)

17 Sec. 50-17. Expatriate corporations. No business or member
18 of a unitary business group, as defined in the Illinois Income
19 Tax Act, shall submit a bid for or enter into a contract with a
20 State agency under this Code if that business or any member of
21 the unitary business group is an expatriate corporation as
22 defined in this Code.

23 Section 10. The Illinois Income Tax Act is amended by
24 changing Section 1501 as follows:

25 (35 ILCS 5/1501) (from Ch. 120, par. 15-1501)

26 Sec. 1501. Definitions.

27 (a) In general. When used in this Act, where not otherwise
28 distinctly expressed or manifestly incompatible with the
29 intent thereof:

30 (1) Business income. The term "business income" means
31 income arising from transactions and activity in the
32 regular course of the taxpayer's trade or business, net of
33 the deductions allocable thereto, and includes income from

1 tangible and intangible property if the acquisition,
2 management, and disposition of the property constitute
3 integral parts of the taxpayer's regular trade or business
4 operations. Such term does not include compensation or the
5 deductions allocable thereto. For each taxable year
6 beginning on or after January 1, 2003, a taxpayer may elect
7 to treat all income other than compensation as business
8 income. This election shall be made in accordance with
9 rules adopted by the Department and, once made, shall be
10 irrevocable.

11 (2) Commercial domicile. The term "commercial
12 domicile" means the principal place from which the trade or
13 business of the taxpayer is directed or managed.

14 (3) Compensation. The term "compensation" means wages,
15 salaries, commissions and any other form of remuneration
16 paid to employees for personal services.

17 (4) Corporation. The term "corporation" includes
18 associations, joint-stock companies, insurance companies
19 and cooperatives. Any entity, including a limited
20 liability company formed under the Illinois Limited
21 Liability Company Act, shall be treated as a corporation if
22 it is so classified for federal income tax purposes.

23 (5) Department. The term "Department" means the
24 Department of Revenue of this State.

25 (6) Director. The term "Director" means the Director of
26 Revenue of this State.

27 (7) Fiduciary. The term "fiduciary" means a guardian,
28 trustee, executor, administrator, receiver, or any person
29 acting in any fiduciary capacity for any person.

30 (8) Financial organization.

31 (A) The term "financial organization" means any
32 bank, bank holding company, trust company, savings
33 bank, industrial bank, land bank, safe deposit
34 company, private banker, savings and loan association,
35 building and loan association, credit union, currency
36 exchange, cooperative bank, small loan company, sales

1 finance company, investment company, or any person
2 which is owned by a bank or bank holding company. For
3 the purpose of this Section a "person" will include
4 only those persons which a bank holding company may
5 acquire and hold an interest in, directly or
6 indirectly, under the provisions of the Bank Holding
7 Company Act of 1956 (12 U.S.C. 1841, et seq.), except
8 where interests in any person must be disposed of
9 within certain required time limits under the Bank
10 Holding Company Act of 1956.

11 (B) For purposes of subparagraph (A) of this
12 paragraph, the term "bank" includes (i) any entity that
13 is regulated by the Comptroller of the Currency under
14 the National Bank Act, or by the Federal Reserve Board,
15 or by the Federal Deposit Insurance Corporation and
16 (ii) any federally or State chartered bank operating as
17 a credit card bank.

18 (C) For purposes of subparagraph (A) of this
19 paragraph, the term "sales finance company" has the
20 meaning provided in the following item (i) or (ii):

21 (i) A person primarily engaged in one or more
22 of the following businesses: the business of
23 purchasing customer receivables, the business of
24 making loans upon the security of customer
25 receivables, the business of making loans for the
26 express purpose of funding purchases of tangible
27 personal property or services by the borrower, or
28 the business of finance leasing. For purposes of
29 this item (i), "customer receivable" means:

30 (a) a retail installment contract or
31 retail charge agreement within the meaning of
32 the Sales Finance Agency Act, the Retail
33 Installment Sales Act, or the Motor Vehicle
34 Retail Installment Sales Act;

35 (b) an installment, charge, credit, or
36 similar contract or agreement arising from the

1 sale of tangible personal property or services
2 in a transaction involving a deferred payment
3 price payable in one or more installments
4 subsequent to the sale; or

5 (c) the outstanding balance of a contract
6 or agreement described in provisions (a) or (b)
7 of this item (i).

8 A customer receivable need not provide for
9 payment of interest on deferred payments. A sales
10 finance company may purchase a customer receivable
11 from, or make a loan secured by a customer
12 receivable to, the seller in the original
13 transaction or to a person who purchased the
14 customer receivable directly or indirectly from
15 that seller.

16 (ii) A corporation meeting each of the
17 following criteria:

18 (a) the corporation must be a member of an
19 "affiliated group" within the meaning of
20 Section 1504(a) of the Internal Revenue Code,
21 determined without regard to Section 1504(b)
22 of the Internal Revenue Code;

23 (b) more than 50% of the gross income of
24 the corporation for the taxable year must be
25 interest income derived from qualifying loans.
26 A "qualifying loan" is a loan made to a member
27 of the corporation's affiliated group that
28 originates customer receivables (within the
29 meaning of item (i)) or to whom customer
30 receivables originated by a member of the
31 affiliated group have been transferred, to the
32 extent the average outstanding balance of
33 loans from that corporation to members of its
34 affiliated group during the taxable year do not
35 exceed the limitation amount for that
36 corporation. The "limitation amount" for a

1 corporation is the average outstanding
2 balances during the taxable year of customer
3 receivables (within the meaning of item (i))
4 originated by all members of the affiliated
5 group. If the average outstanding balances of
6 the loans made by a corporation to members of
7 its affiliated group exceed the limitation
8 amount, the interest income of that
9 corporation from qualifying loans shall be
10 equal to its interest income from loans to
11 members of its affiliated groups times a
12 fraction equal to the limitation amount
13 divided by the average outstanding balances of
14 the loans made by that corporation to members
15 of its affiliated group;

16 (c) the total of all shareholder's equity
17 (including, without limitation, paid-in
18 capital on common and preferred stock and
19 retained earnings) of the corporation plus the
20 total of all of its loans, advances, and other
21 obligations payable or owed to members of its
22 affiliated group may not exceed 20% of the
23 total assets of the corporation at any time
24 during the tax year; and

25 (d) more than 50% of all interest-bearing
26 obligations of the affiliated group payable to
27 persons outside the group determined in
28 accordance with generally accepted accounting
29 principles must be obligations of the
30 corporation.

31 This amendatory Act of the 91st General Assembly is
32 declaratory of existing law.

33 (D) Subparagraphs (B) and (C) of this paragraph are
34 declaratory of existing law and apply retroactively,
35 for all tax years beginning on or before December 31,
36 1996, to all original returns, to all amended returns

1 filed no later than 30 days after the effective date of
2 this amendatory Act of 1996, and to all notices issued
3 on or before the effective date of this amendatory Act
4 of 1996 under subsection (a) of Section 903, subsection
5 (a) of Section 904, subsection (e) of Section 909, or
6 Section 912. A taxpayer that is a "financial
7 organization" that engages in any transaction with an
8 affiliate shall be a "financial organization" for all
9 purposes of this Act.

10 (E) For all tax years beginning on or before
11 December 31, 1996, a taxpayer that falls within the
12 definition of a "financial organization" under
13 subparagraphs (B) or (C) of this paragraph, but who
14 does not fall within the definition of a "financial
15 organization" under the Proposed Regulations issued by
16 the Department of Revenue on July 19, 1996, may
17 irrevocably elect to apply the Proposed Regulations
18 for all of those years as though the Proposed
19 Regulations had been lawfully promulgated, adopted,
20 and in effect for all of those years. For purposes of
21 applying subparagraphs (B) or (C) of this paragraph to
22 all of those years, the election allowed by this
23 subparagraph applies only to the taxpayer making the
24 election and to those members of the taxpayer's unitary
25 business group who are ordinarily required to
26 apportion business income under the same subsection of
27 Section 304 of this Act as the taxpayer making the
28 election. No election allowed by this subparagraph
29 shall be made under a claim filed under subsection (d)
30 of Section 909 more than 30 days after the effective
31 date of this amendatory Act of 1996.

32 (F) Finance Leases. For purposes of this
33 subsection, a finance lease shall be treated as a loan
34 or other extension of credit, rather than as a lease,
35 regardless of how the transaction is characterized for
36 any other purpose, including the purposes of any

1 regulatory agency to which the lessor is subject. A
2 finance lease is any transaction in the form of a lease
3 in which the lessee is treated as the owner of the
4 leased asset entitled to any deduction for
5 depreciation allowed under Section 167 of the Internal
6 Revenue Code.

7 (9) Fiscal year. The term "fiscal year" means an
8 accounting period of 12 months ending on the last day of
9 any month other than December.

10 (10) Includes and including. The terms "includes" and
11 "including" when used in a definition contained in this Act
12 shall not be deemed to exclude other things otherwise
13 within the meaning of the term defined.

14 (11) Internal Revenue Code. The term "Internal Revenue
15 Code" means the United States Internal Revenue Code of 1954
16 or any successor law or laws relating to federal income
17 taxes in effect for the taxable year.

18 (12) Mathematical error. The term "mathematical error"
19 includes the following types of errors, omissions, or
20 defects in a return filed by a taxpayer which prevents
21 acceptance of the return as filed for processing:

22 (A) arithmetic errors or incorrect computations on
23 the return or supporting schedules;

24 (B) entries on the wrong lines;

25 (C) omission of required supporting forms or
26 schedules or the omission of the information in whole
27 or in part called for thereon; and

28 (D) an attempt to claim, exclude, deduct, or
29 improperly report, in a manner directly contrary to the
30 provisions of the Act and regulations thereunder any
31 item of income, exemption, deduction, or credit.

32 (13) Nonbusiness income. The term "nonbusiness income"
33 means all income other than business income or
34 compensation.

35 (14) Nonresident. The term "nonresident" means a
36 person who is not a resident.

1 (15) Paid, incurred and accrued. The terms "paid",
2 "incurred" and "accrued" shall be construed according to
3 the method of accounting upon the basis of which the
4 person's base income is computed under this Act.

5 (16) Partnership and partner. The term "partnership"
6 includes a syndicate, group, pool, joint venture or other
7 unincorporated organization, through or by means of which
8 any business, financial operation, or venture is carried
9 on, and which is not, within the meaning of this Act, a
10 trust or estate or a corporation; and the term "partner"
11 includes a member in such syndicate, group, pool, joint
12 venture or organization.

13 The term "partnership" includes any entity, including
14 a limited liability company formed under the Illinois
15 Limited Liability Company Act, classified as a partnership
16 for federal income tax purposes.

17 The term "partnership" does not include a syndicate,
18 group, pool, joint venture, or other unincorporated
19 organization established for the sole purpose of playing
20 the Illinois State Lottery.

21 (17) Part-year resident. The term "part-year resident"
22 means an individual who became a resident during the
23 taxable year or ceased to be a resident during the taxable
24 year. Under Section 1501(a)(20)(A)(i) residence commences
25 with presence in this State for other than a temporary or
26 transitory purpose and ceases with absence from this State
27 for other than a temporary or transitory purpose. Under
28 Section 1501(a)(20)(A)(ii) residence commences with the
29 establishment of domicile in this State and ceases with the
30 establishment of domicile in another State.

31 (18) Person. The term "person" shall be construed to
32 mean and include an individual, a trust, estate,
33 partnership, association, firm, company, corporation,
34 limited liability company, or fiduciary. For purposes of
35 Section 1301 and 1302 of this Act, a "person" means (i) an
36 individual, (ii) a corporation, (iii) an officer, agent, or

1 employee of a corporation, (iv) a member, agent or employee
2 of a partnership, or (v) a member, manager, employee,
3 officer, director, or agent of a limited liability company
4 who in such capacity commits an offense specified in
5 Section 1301 and 1302.

6 (18A) Records. The term "records" includes all data
7 maintained by the taxpayer, whether on paper, microfilm,
8 microfiche, or any type of machine-sensible data
9 compilation.

10 (19) Regulations. The term "regulations" includes
11 rules promulgated and forms prescribed by the Department.

12 (20) Resident. The term "resident" means:

13 (A) an individual (i) who is in this State for
14 other than a temporary or transitory purpose during the
15 taxable year; or (ii) who is domiciled in this State
16 but is absent from the State for a temporary or
17 transitory purpose during the taxable year;

18 (B) The estate of a decedent who at his or her
19 death was domiciled in this State;

20 (C) A trust created by a will of a decedent who at
21 his death was domiciled in this State; and

22 (D) An irrevocable trust, the grantor of which was
23 domiciled in this State at the time such trust became
24 irrevocable. For purpose of this subparagraph, a trust
25 shall be considered irrevocable to the extent that the
26 grantor is not treated as the owner thereof under
27 Sections 671 through 678 of the Internal Revenue Code.

28 (21) Sales. The term "sales" means all gross receipts
29 of the taxpayer not allocated under Sections 301, 302 and
30 303.

31 (22) State. The term "state" when applied to a
32 jurisdiction other than this State means any state of the
33 United States, the District of Columbia, the Commonwealth
34 of Puerto Rico, any Territory or Possession of the United
35 States, and any foreign country, or any political
36 subdivision of any of the foregoing. For purposes of the

1 foreign tax credit under Section 601, the term "state"
2 means any state of the United States, the District of
3 Columbia, the Commonwealth of Puerto Rico, and any
4 territory or possession of the United States, or any
5 political subdivision of any of the foregoing, effective
6 for tax years ending on or after December 31, 1989.

7 (23) Taxable year. The term "taxable year" means the
8 calendar year, or the fiscal year ending during such
9 calendar year, upon the basis of which the base income is
10 computed under this Act. "Taxable year" means, in the case
11 of a return made for a fractional part of a year under the
12 provisions of this Act, the period for which such return is
13 made.

14 (24) Taxpayer. The term "taxpayer" means any person
15 subject to the tax imposed by this Act.

16 (25) International banking facility. The term
17 international banking facility shall have the same meaning
18 as is set forth in the Illinois Banking Act or as is set
19 forth in the laws of the United States or regulations of
20 the Board of Governors of the Federal Reserve System.

21 (26) Income Tax Return Preparer.

22 (A) The term "income tax return preparer" means any
23 person who prepares for compensation, or who employs
24 one or more persons to prepare for compensation, any
25 return of tax imposed by this Act or any claim for
26 refund of tax imposed by this Act. The preparation of a
27 substantial portion of a return or claim for refund
28 shall be treated as the preparation of that return or
29 claim for refund.

30 (B) A person is not an income tax return preparer
31 if all he or she does is

32 (i) furnish typing, reproducing, or other
33 mechanical assistance;

34 (ii) prepare returns or claims for refunds for
35 the employer by whom he or she is regularly and
36 continuously employed;

1 (iii) prepare as a fiduciary returns or claims
2 for refunds for any person; or

3 (iv) prepare claims for refunds for a taxpayer
4 in response to any notice of deficiency issued to
5 that taxpayer or in response to any waiver of
6 restriction after the commencement of an audit of
7 that taxpayer or of another taxpayer if a
8 determination in the audit of the other taxpayer
9 directly or indirectly affects the tax liability
10 of the taxpayer whose claims he or she is
11 preparing.

12 (27) Unitary business group. The term "unitary
13 business group" means a group of persons related through
14 common ownership whose business activities are integrated
15 with, dependent upon and contribute to each other. The
16 group will not include those members whose business
17 activity outside the United States is 80% or more of any
18 such member's total business activity; for purposes of this
19 paragraph and clause (a)(3)(B)(ii) of Section 304,
20 business activity within the United States shall be
21 measured by means of the factors ordinarily applicable
22 under subsections (a), (b), (c), (d), or (h) of Section 304
23 except that, in the case of members ordinarily required to
24 apportion business income by means of the 3 factor formula
25 of property, payroll and sales specified in subsection (a)
26 of Section 304, including the formula as weighted in
27 subsection (h) of Section 304, such members shall not use
28 the sales factor in the computation and the results of the
29 property and payroll factor computations of subsection (a)
30 of Section 304 shall be divided by 2 (by one if either the
31 property or payroll factor has a denominator of zero). The
32 computation required by the preceding sentence shall, in
33 each case, involve the division of the member's property,
34 payroll, or revenue miles in the United States, insurance
35 premiums on property or risk in the United States, or
36 financial organization business income from sources within

1 the United States, as the case may be, by the respective
2 worldwide figures for such items. Common ownership in the
3 case of corporations is the direct or indirect control or
4 ownership of more than 50% of the outstanding voting stock
5 of the persons carrying on unitary business activity.
6 Unitary business activity can ordinarily be illustrated
7 where the activities of the members are: (1) in the same
8 general line (such as manufacturing, wholesaling,
9 retailing of tangible personal property, insurance,
10 transportation or finance); or (2) are steps in a
11 vertically structured enterprise or process (such as the
12 steps involved in the production of natural resources,
13 which might include exploration, mining, refining, and
14 marketing); and, in either instance, the members are
15 functionally integrated through the exercise of strong
16 centralized management (where, for example, authority over
17 such matters as purchasing, financing, tax compliance,
18 product line, personnel, marketing and capital investment
19 is not left to each member). In no event, however, will any
20 unitary business group include members which are
21 ordinarily required to apportion business income under
22 different subsections of Section 304 except that for tax
23 years ending on or after December 31, 1987 this prohibition
24 shall not apply to a unitary business group composed of one
25 or more taxpayers all of which apportion business income
26 pursuant to subsection (b) of Section 304, or all of which
27 apportion business income pursuant to subsection (d) of
28 Section 304, and a holding company of such single-factor
29 taxpayers (see definition of "financial organization" for
30 rule regarding holding companies of financial
31 organizations). If a unitary business group would, but for
32 the preceding sentence, include members that are
33 ordinarily required to apportion business income under
34 different subsections of Section 304, then for each
35 subsection of Section 304 for which there are two or more
36 members, there shall be a separate unitary business group

1 composed of such members. For purposes of the preceding two
2 sentences, a member is "ordinarily required to apportion
3 business income" under a particular subsection of Section
4 304 if it would be required to use the apportionment method
5 prescribed by such subsection except for the fact that it
6 derives business income solely from Illinois. If the
7 unitary business group members' accounting periods differ,
8 the common parent's accounting period or, if there is no
9 common parent, the accounting period of the member that is
10 expected to have, on a recurring basis, the greatest
11 Illinois income tax liability must be used to determine
12 whether to use the apportionment method provided in
13 subsection (a) or subsection (h) of Section 304. The
14 prohibition against membership in a unitary business group
15 for taxpayers ordinarily required to apportion income
16 under different subsections of Section 304 does not apply
17 to taxpayers required to apportion income under subsection
18 (a) and subsection (h) of Section 304. The provisions of
19 this amendatory Act of 1998 apply to tax years ending on or
20 after December 31, 1998.

21 (28) Subchapter S corporation. The term "Subchapter S
22 corporation" means a corporation for which there is in
23 effect an election under Section 1362 of the Internal
24 Revenue Code, or for which there is a federal election to
25 opt out of the provisions of the Subchapter S Revision Act
26 of 1982 and have applied instead the prior federal
27 Subchapter S rules as in effect on July 1, 1982.

28 (29) Foreign tax haven.

29 (A) Notwithstanding any provision of item (27),
30 any person formed or incorporated in a foreign tax
31 haven may be a member of a unitary business group
32 without regard to where its business activities are
33 conducted.

34 (B) The term "foreign tax haven" includes Andorra,
35 Anguilla, Antigua and Barbuda, Aruba, the Bahamas,
36 Bahrain, Barbados, Belize, Bermuda, British Virgin

1 Islands, Cayman Islands, Cook Islands, Turks and
2 Caicos Islands, Dominica, Gibraltar, Grenada,
3 Guernsey-Sark-Alderney, Isle of Man, Jersey, Liberia,
4 Liechtenstein, Luxemburg, Maldives, Marshall Islands,
5 Monaco, Montserrat, Nauru, Netherlands Antilles, Niue,
6 Panama, Samoa, Seychelles, St. Kitts and Nevis, St.
7 Lucia, St. Vincent and the Grenadines, Tonga, U.S.
8 Virgin Islands, and Vanuatu.

9 (C) The term "foreign tax haven" also includes any
10 foreign country that does not impose a substantial
11 business income tax or other substantial business
12 activity tax, as determined by the Department by rule.

13 (D) The provisions of this item (29) apply to tax
14 years ending on or after December 31, 2004.

15 (b) Other definitions.

16 (1) Words denoting number, gender, and so forth, when
17 used in this Act, where not otherwise distinctly expressed
18 or manifestly incompatible with the intent thereof:

19 (A) Words importing the singular include and apply
20 to several persons, parties or things;

21 (B) Words importing the plural include the
22 singular; and

23 (C) Words importing the masculine gender include
24 the feminine as well.

25 (2) "Company" or "association" as including successors
26 and assigns. The word "company" or "association", when used
27 in reference to a corporation, shall be deemed to embrace
28 the words "successors and assigns of such company or
29 association", and in like manner as if these last-named
30 words, or words of similar import, were expressed.

31 (3) Other terms. Any term used in any Section of this
32 Act with respect to the application of, or in connection
33 with, the provisions of any other Section of this Act shall
34 have the same meaning as in such other Section.

35 (Source: P.A. 91-535, eff. 1-1-00; 91-913, eff. 1-1-01; 92-846,

1 eff. 8-23-02.)

2 Section 99. Effective date. This Act takes effect July 1,
3 2004.